



DEPARTMENT OF  
**FINANCE**  
OFFICE OF THE DIRECTOR

ARNOLD SCHWARZENEGGER, GOVERNOR  
STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

APR 01 2010

Honorable Denise Moreno Ducheny, Chair  
Senate Budget and Fiscal Review Committee

Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfield, Chair  
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

**Amendment to Budget Bill Item 0250-001-3066 and Reimbursements, Support, Judicial Branch**

It is requested that Item 0250-001-3066 be increased by \$6,148,000 to provide estimated operational costs for facilities that have transferred to state responsibility. It is also requested that Reimbursements be increased by \$5,623,000 to provide for operations and maintenance at shared use facilities and for court leases assigned to the Administrative Office of the Courts.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Jennifer Osborn, Principal Program Budget Analyst, at (916) 445-8913.

ANA J. MATOSANTOS  
Director  
By:

/s/ Todd Jerue

TODD JERUE  
Chief Deputy Director

Attachment

cc: On following page

APR 01 2010

cc: Honorable Christine Kehoe, Chair, Senate Appropriations Committee  
Attention: Mr. Bob Franzoia, Staff Director  
Honorable Bob Dutton, Vice Chair, Senate Budget and Fiscal Review Committee  
Attention: Mr. Seren Taylor, Staff Director  
Honorable Felipe Fuentes, Chair, Assembly Appropriations Committee  
Attention: Mr. Geoff Long, Chief Consultant  
Honorable Jim Nielsen, Vice Chair, Assembly Budget Committee  
Attention: Mr. Peter Schaafsma, Staff Director  
Honorable Mark DeSaulnier, Chair, Senate Budget and Fiscal Review Subcommittee No. 4  
Honorable Warren Furutani, Chair, Assembly Budget Subcommittee No. 4  
Mr. Mac Taylor, Legislative Analyst (4)  
Mr. Craig Cornett, Senate President pro Tempore's Office (2)  
Mr. Christopher W. Woods, Assembly Speaker's Office (2)  
Ms. Christine Robertson, Chief of Staff, Assembly Republican Leader's Office  
Mr. William Vickrey, Administrative Director, Administrative Office of the Courts  
Mr. Stephen Nash, Finance Director, Administrative Office of the Courts



APR 01 2010

Honorable Denise Moreno Ducheny, Chair  
Senate Budget and Fiscal Review Committee

Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfield, Chair  
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

**Addition of Budget Bill Item 0250-490, Capital Outlay, Judicial Council**

It is requested that Item 0250-490 be added to reappropriate the following items:

Item 0250-301-3037 (2), Budget Act of 2007, for the acquisition phase and Item 0250-301-3037 (5), Budget Act of 2009, for the working drawings phase of the New Madera Courthouse in Madera County. There has been a six-month delay in site acquisition while the Madera Redevelopment Agency (Madera RDA) acquired five selected properties on behalf of the Judicial Council. Four of the five properties have been acquired and the fifth parcel is owned by Madera County (fleet garage) and will transfer to the Madera RDA once the garage is vacated. The Judicial Council estimates that escrow will close in December 2010. The reappropriated acquisition funds will be used to finalize all escrow agreements and reappropriation of the working drawing phase is necessary to accommodate the six-month delay in site acquisition.

Item 0250-301-3037 (7), Budget Act of 2007, for the acquisition phase and Item 0250-301-3037 (11), Budget Act of 2009, for the working drawings phase of the New Stockton Courthouse in San Joaquin County. The Judicial Council has requested reappropriation of a portion of acquisition funds to acquire four additional parcels of land next to the main courthouse site, which was approved for acquisition by the State Public Works Board (PWB) in September 2009. The Judicial Council has been in negotiations with the private owners of the four additional parcels to the west of the main property. If the Judicial Council is unable to acquire the four private sites prior to the final approval of the preliminary plan phase by the PWB, the Judicial Council will move forward with the design of the building on the existing main courthouse site. Reappropriation of the working drawing phase is necessary to accommodate the adjusted schedule.

Item 0250-301-3037 (7), Budget Act of 2009 for the working drawings phase of the New Riverside Mid-County Courthouse in Riverside County. There has been a four month delay in site preparation by the City of Banning (City). The City has finalized the required components of the acquisition agreement by re-routing drainage and off-site utilities allowing the Judicial Council to begin the preliminary plan phase, which is expected to be completed by June 2010. Reappropriation of the working drawing phase is necessary to accommodate the adjusted schedule.

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Item 0250-301-3037 (8), Budget Act of 2007, for the acquisition phase and Item 0250-301-3037 (16), Budget Act of 2009, for the working drawings phase of the New Porterville Courthouse in Tulare County. The Judicial Council has requested reappropriation of a portion acquisition funds to acquire two additional parcels for parking. Acquisition for the main courthouse site was approved by the PWB in September 2009. The Judicial Council has been in negotiations with the private owners of the two additional parcels. If the Judicial Council is unable to acquire the two private sites prior to the final approval of the preliminary plan phase by the PWB, the Judicial Council will move forward with the design of the building on the existing main courthouse site. Reappropriation of the working drawing phase is necessary to accommodate the adjusted schedule.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Nathan Brady, Principal Program Budget Analyst, at (916) 445-9694.

ANA J. MATOSANTOS

Director

By:

/s/ Todd Jerue

TODD JERUE

Chief Deputy Director

Attachment

cc: Honorable Christine Kehoe, Chair, Senate Appropriations Committee  
Attention: Mr. Bob Franzosa, Staff Director  
Honorable Bob Dutton, Vice Chair, Senate Budget and Fiscal Review Committee  
Attention: Mr. Seren Taylor, Staff Director  
Honorable Felipe Fuentes, Chair, Assembly Appropriations Committee  
Attention: Mr. Geoff Long, Chief Consultant  
Honorable Jim Nielsen, Vice Chair, Assembly Budget Committee  
Attention: Mr. Peter Schaafsma, Staff Director  
Honorable Mark DeSaulnier, Chair, Senate Budget and Fiscal Review Subcommittee No. 4  
Honorable Warren Furutani, Chair, Assembly Budget Subcommittee No. 4  
Mr. Mac Taylor, Legislative Analyst (4)  
Mr. Craig Cornett, Senate President pro Tempore's Office (2)  
Mr. Christopher W. Woods, Assembly Speaker's Office (2)  
Ms. Christine Robertson, Chief of Staff, Assembly Republican Leader's Office  
Mr. Lee Willoughby, Director, Office of Court Construction and Management, Administrative Office of the Courts, Judicial Council of California  
Ms. Gisele Corrie, Financial Manager, Office of Court Construction and Management, Administrative Office of the Courts, Judicial Council of California



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Senate Budget and Fiscal Review Committee

Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfield, Chair  
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

**Amendment to Budget Bill Items 0502-001-9730 and Reimbursements, Support, Office of the State Chief Information Officer**

**Homeland Security Grant Program (Issue 101)**—It is requested that Reimbursements be increased by \$3,389,000 and that Item 0502-001-9730 be amended to reflect this change, to provide funding for three cyber security projects funded by grants from the California Department of Emergency Management Agency. The total grant is \$4.7 million and the balance of the grant funds will be spent in fiscal year 2011-12. Funding will provide support for the State-Level GIS Web Services Hosting project, the State Enterprise Cyber Security Risk Assessment Program, and to enhance the security of the state's internet domain through the Secure ca.gov Domain Name System.

**California Child Support Automation System Migration Project (Issue 102)**—It is requested that Item 0502-001-9730 be increased by \$6,024,000 to support the rehosting of the California Child Support Automation system from a private vendor to the Office of Technology Services. The funding will provide for hardware, software and professional installation services to support the rehost.

**Office of the State Chief Information Officer Reorganization Cleanup: Public Safety Communications Department (PSCD) (Issue 103)**—It is requested that Item 0502-001-9730 be increased by \$2,061,000 and 9.0 positions to complete the transfer of services that support the Public Safety Communication Division from the Department of General Services (DGS) to the Office of the State Chief Information Officer, as part of the 2009 Governor's Reorganization Plan. The DGS is requesting a corresponding reduction in positions and funding.

The effect of my requested action is reflected on the attachment.

APR 01 2010

If you have any questions or need additional information regarding this matter, please call Kathryn Amann, Principal Program Budget Analyst, at (916) 322-2263.

ANA J. MATOSANTOS

Director

By:

/s/ Todd Jerue

TODD JERUE

Chief Deputy Director

Attachment

cc: Honorable Christine Kehoe, Chair, Senate Appropriations Committee  
Attention: Mr. Bob Franzosa, Staff Director  
Honorable Bob Dutton, Vice Chair, Senate Budget and Fiscal Review Committee  
Attention: Mr. Seren Taylor, Staff Director  
Honorable Felipe Fuentes, Chair, Assembly Appropriations Committee  
Attention: Mr. Geoff Long, Chief Consultant  
Honorable Jim Nielsen, Vice Chair, Assembly Budget Committee  
Attention: Mr. Peter Schaafsma, Staff Director  
Honorable Mark DeSaulnier, Chair, Senate Budget and Fiscal Review Subcommittee No. 4  
Honorable Joan Buchanan, Chair, Assembly Budget Subcommittee No. 5  
Mr. Mac Taylor, Legislative Analyst (4)  
Mr. Craig Cornett, Senate President pro Tempore's Office (2)  
Mr. Christopher W. Woods, Assembly Speaker's Office (2)  
Ms. Christine Robertson, Chief of Staff, Assembly Republican Leader's Office  
Ms. Teri Takai, Chief Information Officer, Office of the State Chief Information Officer  
Mr. Adrian Farley, Chief Deputy Director, Office of the State Chief Information Officer  
Ms. Melissa Matsuura, Deputy Director, Office of the State Chief Information Officer  
Mr. Robert Illa, Budget Officer, Office of the State Chief Information Officer



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APR 01 2010

Honorable Denise Moreno Ducheny, Chair  
Senate Budget and Fiscal Review Committee

Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfield, Chair  
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

**Amendment to Budget Bill Item 0520-001-0044 and Reimbursements, Support, Business, Transportation, and Housing Agency**

**Clean Energy Business Financing Program (Program) (Issue 101)**—It is requested that Reimbursements to Item 0520-001-0044 be increased by \$901,000 to enable the Business, Transportation, and Housing Agency to contract with Financial Development Corporations to provide loan underwriting, packaging and servicing in support of the Program. This will assist the California Energy Commission with implementation of the Program, which is funded through the American Recovery and Reinvestment Act of 2009, by leveraging the business loan underwriting experience of the Financial Development Corporations to ensure that the program can be administered efficiently. The Program will provide up to \$35.0 million in loans to promote economic recovery and job creations through investments in the technology that improves energy efficiency and other green technologies.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Kathryn Amann, Principal Program Budget Analyst, at (916) 322-2263.

ANA J. MATOSANTOS  
Director  
By:

/s/ Todd Jerue

TODD JERUE  
Chief Deputy Director

Attachment

cc: On following page

APR 01 2010

-2-

cc: Honorable Christine Kehoe, Chair, Senate Appropriations Committee  
Attention: Mr. Bob Franzoia, Staff Director  
Honorable Bob Dutton, Vice Chair, Senate Budget and Fiscal Review Committee  
Attention: Mr. Seren Taylor, Staff Director  
Honorable Felipe Fuentes, Chair, Assembly Appropriations Committee  
Attention: Mr. Geoff Long, Chief Consultant  
Honorable Jim Nielsen, Vice Chair, Assembly Budget Committee  
Attention: Mr. Peter Schaafsma, Staff Director  
Honorable Mark DeSaulnier, Chair, Senate Budget and Fiscal Review Subcommittee No. 4  
Honorable Warren Furutani Chair, Assembly Budget Subcommittee No. 4  
Mr. Mac Taylor, Legislative Analyst (4)  
Mr. Craig Cornett, Senate President pro Tempore's Office (2)  
Mr. Christopher W. Woods, Assembly Speaker's Office (2)  
Ms. Christine Robertson, Chief of Staff, Assembly Republican Leader's Office  
Mr. Dale Bonner, Secretary, Business, Transportation, and Housing Agency  
Ms. Karin Fish, Deputy Secretary for Administration and Finance, Business, Transportation, and  
Housing Agency





APR 01 2010

Honorable Denise Moreno Ducheny, Chair  
Senate Budget and Fiscal Review Committee

Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfield, Chair  
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

**Amendment to and Addition of Various Budget Bill Items, Support, Secretary of California Health and Human Services**

**Health Information Exchange Federal Grant Award (Issue 101)**—It is requested that Item 0530-017-3163 and provisional language (see Attachment 1) be added to appropriate \$17,229,000 from the federally supported California Health Information Technology and Exchange Fund. The California Health and Human Services Agency (HHSA) received a four-year \$38.7 million federal grant for California's Health Information Exchange Cooperative Grant Program. The federal government is making the majority of funds available in the first two years of the grant, based on state's performance in spending funds and building health information exchange capacity. A Section 28.00 application was sent on March 5, 2010, that included the \$2.2 million that HHSA anticipates can be spent in fiscal year 2009-10. This request is for the anticipated expenditures for 2010-11. Existing in-kind services will be used for the state match, which is permissible.

The grant enables California to develop a health information exchange compatible with other states. The grant will be used to improve the use of electronic health records and expand the state's capacity for electronic information exchange by establishing and implementing appropriate governance, policies, and network services. The program will be a major step toward improving health care quality and reducing costs.

Chapter 180, Statutes of 2009 (SB 337), created the recipient fund, and authorized HHSA to implement the project and develop a self-sustaining funding mechanism for the exchange. The proposed funds will be used to contract for a Governance Entity that will implement a statewide collaborative process for expanding capacity for electronic health information exchange (\$16.5 million), and to support 3.0 new limited-term positions (through the end of the grant period) and to fund 3.0 existing positions. In addition, 3.0 new positions were proposed in this instance as an exception to most other support requests, because of the particularly small size of HHSA.

**Electronic Benefit Transfer Project Savings (Issue 102)**—It is requested that Item 0530-001-9732 be decreased by \$19,735,000 from the Office of Systems Integration Fund to reflect savings in the Electronic Benefit Transfer Project. The proposed savings are the result of a new vendor contract for services which began in October 2009 at lower costs, and the completion of Independent Verification and Validation and project transition services. This proposal reflects the completed transition to the new project vendor, and will have no adverse impact on services to beneficiaries. This request also aligns the Office of Systems Integration's expenditure authority with conforming amounts reflected in the Department of Social Services' Local Assistance Estimate.

**Case Management, Information and Payrolling System Change Orders (Issue 103)**—It is requested that Item 0530-001-9732 be decreased by \$49,481,000 from the Office of Systems Integration Fund to reflect an implementation delay in the Case Management, Information and Payrolling System (CMIPS II). The proposal shifts project costs across fiscal years as a result of an approximate eight month delay in the development phase schedule and the transition into implementation activities. The delay results from unanticipated but necessary change orders, programming, and system modifications (including, but not limited to, court ordered modifications). The shift does not increase the total approved project costs, but redistributes costs over the remaining term of the project. In addition, 1.0 new position (funded out of existing project funds) is proposed to address workload associated with administering eight contracts in this project. This request aligns the Office of Systems Integration's expenditure authority with the amounts in the Department of Social Services' Local Assistance Estimate.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Tom Williams, Principal Program Budget Analyst, at (916) 445-6423.

ANA J. MATOSANTOS

Director

By:

/s/ Todd Jerue

TODD JERUE

Chief Deputy Director

Attachment

cc: On following page

APR 01 2010

cc: Honorable Christine Kehoe, Chair, Senate Appropriations Committee  
Attention: Mr. Bob Franzoia, Staff Director  
Honorable Bob Dutton, Vice Chair, Senate Budget and Fiscal Review Committee  
Attention: Mr. Seren Taylor, Staff Director  
Honorable Felipe Fuentes, Chair, Assembly Appropriations Committee  
Attention: Mr. Geoff Long, Chief Consultant  
Honorable Jim Nielsen, Vice Chair, Assembly Budget Committee  
Attention: Mr. Peter Schaafsma, Staff Director  
Honorable Mark Leno, Chair, Senate Budget and Fiscal Review Subcommittee No. 3  
Honorable Dave Jones, Chair, Assembly Budget Subcommittee No. 1  
Mr. Mac Taylor, Legislative Analyst (4)  
Mr. Craig Cornett, Senate President pro Tempore's Office (2)  
Mr. Christopher W. Woods, Assembly Speaker's Office (2)  
Ms. Christine Robertson, Chief of Staff, Assembly Republican Leader's Office  
Mr. Michael Wilkening, Undersecretary, Health and Human Services Agency  
Mr. Wayne Sauseda, Assistant Secretary, Health and Human Services Agency  
Mr. Russ Guarna, Deputy Director, Office of the Chief Information Officer  
Mr. David Chase, Oversight Manager, Office of the Chief Information Officer  
Mr. Paul Benedetto, Director, Health and Human Services Agency, Office of Systems Integration  
Ms. Rose Livingston, Budget Officer, Health and Human Services Agency, Office of Systems Integration  
Mr. Eric Fujii, Deputy Director, Administration Division, Department of Social Services  
Ms. Fran Mueller, Chief, Financial Management and Contract Branch, Department of Social Services  
Mr. Brian Dougherty, Chief, Budget Bureau, Department of Social Services

APR 01 2010

**PROPOSED NEW ITEM AND PROVISIONAL LANGUAGE**

0530-017-3163 –For support of Secretary of California Health and Human Services, Program 21-Office of Health Information Integrity, for implementing California’s Health Information Exchange Cooperative Grant Program, payable from the California Health Information Technology and Exchange Fund.....\$17,229,000

Provisions:

1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures from the California Health Information Technology and Exchange Fund for the Secretary of California Health and Human Services in excess of the amount appropriated not sooner than 30 days after providing notification in writing of the necessity therefore to the chairpersons of the fiscal committees of the Legislature and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine.

APR 01 2010

Honorable Denise Moreno Ducheny, Chair  
Senate Budget and Fiscal Review Committee

Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfield, Chair  
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

**Amendment to and Addition of Various Budget Bill Items, Support and Local Assistance,  
Secretary of the Natural Resources Agency**

**Proposition 84—Urban Greening Program**

It is requested that Item 0540-001-6051 be increased by \$286,000 and that Item 0540-001-0140 be amended to reflect this change. It is also requested that Item 0540-101-6051 be added in the amount of \$21,050,000 and 3.0 positions be established to implement the new Urban Greening Grant Program. The Strategic Growth Council approved final guidelines for this new program in February, and grants are expected to be awarded in early Fall. These grants will fund various types of projects including green roofs, tree planting, trails, restoration, green streets projects (treating stormwater runoff through infiltration), and parks. Provisional language will be included to allow encumbrance and expenditure through June 30, 2013, to provide sufficient time for grant recipients to complete their approved projects. (See Attachment A)

**Proposition 40—California River Parkways**

It is requested that Item 0540-490 be amended to extend the availability of funds for Proposition 40 River Parkway projects funded from the 2005 Budget Act. The River Parkways Program provides grants for projects that provide public access along rivers and streams, or are a component of a larger parkway plan. Due to a variety of factors, several projects cannot be completed by the expiration of the current encumbrance period. This request will provide additional time for the projects to be completed.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Matt Almy, Principal Program Budget Analyst, at (916) 324-0043.

ANA J. MATOSANTOS

Director

By:

/s/ Todd Jerue

TODD JERUE

Chief Deputy Director

Attachment

cc: Honorable Christine Kehoe, Chair, Senate Appropriations Committee  
Attention: Mr. Bob Franzosa, Staff Director  
Honorable Bob Dutton, Vice Chair, Senate Budget and Fiscal Review Committee  
Attention: Mr. Seren Taylor, Staff Director  
Honorable Felipe Fuentes, Chair, Assembly Appropriations Committee  
Attention: Mr. Geoff Long, Chief Consultant  
Honorable Jim Nielsen, Vice Chair, Assembly Budget Committee  
Attention: Mr. Peter Schaafsma, Staff Director  
Honorable Joe Simitian, Chair, Senate Budget and Fiscal Review Subcommittee No. 2  
Honorable Ira Ruskin, Chair, Assembly Budget Subcommittee No. 3  
Mr. Mac Taylor, Legislative Analyst (4)  
Mr. Craig Cornett, Senate President pro Tempore's Office (2)  
Mr. Christopher W. Woods, Assembly Speaker's Office (2)  
Ms. Christine Robertson, Chief of Staff, Assembly Republican Leader's Office  
Mr. Lester Snow, Secretary, Natural Resources Agency  
Mr. Patrick Kemp, Assistant Secretary for Administration and Finance, Natural Resources Agency  
Mr. Bryan Cash, Deputy Assistant Secretary, Natural Resources Agency  
Ms. Marcy Brown, Manager, Department of Parks and Recreation

APR 01 2010

Attachment A

0540-101-6051—For local assistance, Secretary of the Natural Resources Agency, payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006.....\$21,050,000

Provisions:

1. The funds appropriated in this item shall be available for encumbrance and expenditure through June 30, 2013 for purposes of support or local assistance.



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APR 01 2010

Honorable Denise Moreno Ducheny, Chair  
Senate Budget and Fiscal Review Committee

Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfield, Chair  
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

**Amendment to Budget Bill Item 0555-001-0044, Support, Secretary for Environmental Protection and Addition of Budget Bill Item 0555-001-0890, Support, Secretary for Environmental Protection**

It is requested that Item 0555-001-0890 be added in the amount of \$1.5 million, and that Item 0555-001-0044 be amended to reflect this change. The requested increase reflects the establishment of a Federal Trust Fund Item with appropriation authority of \$1.5 million to enable the Office of the Secretary for Environmental Protection (CalEPA) to directly receive federal grant funds. Federal grant funds from the United States Environmental Protection Agency (US EPA) are potentially available for National Environmental Information Exchange Network (NEIEN) data system development projects. Federal funding is also expected from the US EPA for distribution to rural Certified Unified Program Agencies to increase Underground Storage Tank inspections in California's rural counties.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Ken DaRosa, Principal Program Budget Analyst, at (916) 324-0043.

ANA J. MATOSANTOS

Director

By:

/s/ Todd Jerue

TODD JERUE

Chief Deputy Director

Attachment

cc: On following page



cc: Honorable Christine Kehoe, Chair, Senate Appropriations Committee  
Attention: Mr. Bob Franzosa, Staff Director  
Honorable Bob Dutton, Vice Chair, Senate Budget and Fiscal Review Committee  
Attention: Mr. Seren Taylor, Staff Director  
Honorable Felipe Fuentes, Chair, Assembly Appropriations Committee  
Attention: Mr. Geoff Long, Chief Consultant  
Honorable Jim Nielsen, Vice Chair, Assembly Budget Committee  
Attention: Mr. Peter Schaafsma, Staff Director  
Honorable Joe Simitian, Chair, Senate Budget and Fiscal Review Subcommittee No. 2  
Honorable Ira Ruskin, Chair, Assembly Budget Subcommittee No. 3  
Mr. Mac Taylor, Legislative Analyst (4)  
Mr. Craig Cornett, Senate President pro Tempore's Office (2)  
Mr. Christopher W. Woods, Assembly Speaker's Office (2)  
Ms. Christine Robertson, Chief of Staff, Assembly Republican Leader's Office  
Mr. Eric Jarvis, Assistant Secretary for Fiscal and Administrative Programs, Secretary for  
Environmental Protection  
Mr. James Bohon, Chief CalEPA Unified Program, Secretary for Environmental Protection

APR 01 2010

Honorable Denise Moreno Ducheny, Chair  
Senate Budget and Fiscal Review Committee

Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfield, Chair  
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

**Adjustment to Various Budget Bill Items, Support and Local Assistance, Office of Planning and Research and Other Agencies and Departments**

It is requested that the following adjustments be made to the Budget Bill to reflect a January 1, 2011 effective date for the statutory elimination of the Office of Planning and Research (OPR), and the establishment of the California Agency on Service and Volunteering (CASV) and the State Inspector General (IG). Legislation was proposed as part of the Governor's Budget to implement these changes, but those statutory changes were not adopted by the Legislature in the special session. Because the Constitution prohibits the establishment or elimination of state Offices in urgency legislation, the Budget Bill must be revised to reflect a January 1, 2011 effective date. Revised enabling legislation will be transmitted separately.

**Reestablish OPR and CASV Using Previous Budget Act Items**

It is requested that Items 0650-001-0001, 0650-011-0001, 0650-001-0890, 0650-001-9740, 0650-002-9740, and 0650-101-0890 be added to the Budget Bill. It is requested that Items 0596-001-0001, 0596-001-0890, 0596-011-0001, 0596-101-0890, and Reimbursements be deleted from the Budget Bill. It is also requested that Budget Bill Language be added to some of these items, as specified on Attachment I.

These changes will reconstitute the OPR budget items that are operative in the current Budget Act, including those items that are used by the Office of the Secretary for Education. Upon the enactment of legislation eliminating OPR, the items formerly used for OPR will be assumed by the CASV.

**Provide Reimbursements for Successor Entities**

It is further requested that various Budget Items for the Governor's Office, the Secretary for State and Consumer Services, the Secretary for Business, Transportation, and Housing, the Secretary for Natural Resources, the Department of Housing and Community Development, and the State IG be amended, and that schedules within these Items be adjusted to reflect those amendments. The affected items are listed on the attachment. These adjustments will provide the successor entities identified in the 2010-11 Governor's Budget with Reimbursement authority to assume the duties formerly performed by OPR for the second half of the fiscal year.

The effect of my requested action is reflected on the attachment.

APR 01 2010

If you have any questions or need additional information regarding this matter, please call Jennifer Osborn, Principal Program Budget Analyst, at (916) 445-8913.

ANA J. MATOSANTOS

Director

By:

/s/ Todd Jerue

TODD JERUE

Chief Deputy Director

Attachment

cc: Honorable Christine Kehoe, Chair, Senate Appropriations Committee  
Attention: Mr. Bob Franzoia, Staff Director  
Honorable Bob Dutton, Vice Chair, Senate Budget and Fiscal Review Committee  
Attention: Mr. Seren Taylor, Staff Director  
Honorable Felipe Fuentes, Chair, Assembly Appropriations Committee  
Attention: Mr. Geoff Long, Chief Consultant  
Honorable Jim Nielsen, Vice Chair, Assembly Budget Committee  
Attention: Mr. Peter Schaafsma, Staff Director  
Honorable Mark DeSaulnier, Chair, Senate Budget and Fiscal Review Subcommittee No. 4  
Honorable Warren Furutani, Chair, Assembly Budget Subcommittee No. 4  
Mr. Mac Taylor, Legislative Analyst (4)  
Mr. Craig Cornett, Senate President pro Tempore's Office (2)  
Mr. Christopher W. Woods, Assembly Speaker's Office (2)  
Ms. Christine Robertson, Chief of Staff, Assembly Republican Leader's Office  
Honorable Bonnie Reiss, Secretary, Office of the Secretary of Education  
Honorable Lester Snow, Secretary, Natural Resources Agency  
Honorable Dale Bonner, Secretary, Business Transportation and Housing Agency  
Ms. Laura Chick, Inspector General, State Inspector General  
Ms. Kathryn Radtkey-Gaither, Undersecretary of Education, Office of the Secretary of Education  
Ms. Cathleen Cox, Acting Director, Office of Planning and Research  
Mr. Rene Gutierrez, Deputy Secretary, State and Consumer Services Agency  
Mr. Patrick Kemp, Assistant Secretary, Administration and Finance, Natural Resources Agency  
Mr. Bryan Cash, Deputy Assistant Secretary, Natural Resources Agency  
Mr. Will Fox, Deputy Chief of Staff, Office of the Governor  
Ms. Sandy Sharrer, Chief Fiscal Officer, Office of the Governor  
Ms. Mary Kelly, Director of Risk Management, State Inspector General  
Mr. Robert Wilcox, Chief Deputy, State Inspector General  
Ms. Karin Fish, Deputy Secretary, Administration and Finance, Business Transportation and Housing Agency  
Ms. Lynn Jacobs, Director, Housing and Community Development

**Attachment I**  
**Proposed Budget Bill Language, Various Items**

**Language is added to Item 0650-001-0001**

Provisions:

1. The funds appropriated in this Item are intended for support of the Office of Planning and Research and the California Agency on Service and Volunteering. The appropriation is an estimate of funding needs for the Office of Planning and Research from July 1, 2010, to December 31, 2010, inclusive. Upon the enactment of legislation eliminating the Office of Planning and Research and establishing the California Agency on Service and Volunteering, the unexpended balance of the funds appropriated in this item in Schedule (1) of this item shall be distributed to the Governor's Office, the State and Consumer Services Agency, the Business, Transportation and Housing Agency, the Resources Agency, the State Inspector General, and the Department of Housing and Community Development, as authorized by the Director of Finance.

**Language is added to Item 0650-002-9740**

Provisions:

1. The funds appropriated in this Item are intended for support of the State Inspector General. Upon enactment of legislation eliminating the Office of Planning and Research, the remaining funds appropriated in this Item shall be provided to Item 0595-002-9740 as reimbursements, as authorized by the Director of Finance.

**Language is added to Item 0595-002-9740**

Provisions:

1. The funds appropriated in this Item are intended for support of the State Inspector General. The appropriation is an estimate of the funding needs from January 1, 2011, to June 30, 2011, inclusive, and is only available for expenditure if legislation establishing the State Inspector General is enacted and takes effect January 1, 2011.

**Language is added to Item 0650-011-0001**

Provisions:

1. The funds appropriated in this Item are intended for support of the Education Agency. The appropriation is an estimate of the funding needs from July 1, 2010 to December 31, 2010, inclusive. Legislation establishing the agency will be introduced and, if enacted, would be effective on or before January 1, 2011. After the effective date of that legislation, and upon the determination that all obligations of the agency in the Office of Planning and Research have been met, the unexpended balance of the funds appropriated in this item shall be available for expenditure pursuant to Item 0558-001-0001, as authorized by the Director of Finance.

APR 01 2010

**Language is added to Item 0500-001-0001**

Provisions:

X. The estimated Reimbursements to this Item includes \$240,000 to reflect the assumption of functions performed by the Office of Planning and Research, which is proposed to be eliminated January 1, 2011.

**Language is added to Item 0510-001-0001**

Provisions:

X. The estimated Reimbursements to this Item includes \$50,000 to reflect the assumption of functions performed by the Office of Planning and Research, which is proposed to be eliminated January 1, 2011.

**Language is added to Item 0520-001-0044**

Provisions:

X. The estimated Reimbursements to this Item includes \$123,000 to reflect the assumption of functions performed by the Office of Planning and Research, which is proposed to be eliminated January 1, 2011.

**Language is added to Item 0540-001-0140**

Provisions:

X. The estimated Reimbursements to this Item includes \$406,000 to reflect the assumption of functions performed by the Office of Planning and Research, which is proposed to be eliminated January 1, 2011.

**Language is added to Item 2240-001-0648**

Provisions:

X. The estimated Reimbursements to this Item includes \$65,000 to reflect the assumption of functions performed by the Office of Planning and Research, which is proposed to be eliminated January 1, 2011.



DEPARTMENT OF  
**FINANCE**  
OFFICE OF THE DIRECTOR

ARNOLD SCHWARZENEGGER, GOVERNOR  
STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ [WWW.DOF.CA.GOV](http://www.DOF.CA.GOV)

APR 01 2010

Honorable Denise Moreno Ducheny, Chair  
Senate Budget and Fiscal Review Committee

Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfield, Chair  
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

**Amendment to Budget Bill Items 0690-001-0001 and 0690-010-3034, Support, California  
Emergency Management Agency**

It is requested that Item 0690-010-3034 be increased by \$2.0 million and Item 0690-001-0001 be amended to reflect this change. This augmentation will provide reimbursements to the Commission on Police Officers Standards and Training and the California Fire Fighter Joint Apprenticeship Center for antiterrorism training activities and supplemental funding to the California State Terrorism Threat Assessment System.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Jennifer Osborn, Principal Program Budget Analyst, at (916) 445-8913.

ANA J. MATOSANTOS  
Director  
By:

/s/ Todd Jerue

TODD JERUE  
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Christine Kehoe, Chair, Senate Appropriations Committee  
Attention: Mr. Bob Franzosa, Staff Director  
Honorable Bob Dutton, Vice Chair, Senate Budget and Fiscal Review Committee  
Attention: Mr. Seren Taylor, Staff Director  
Honorable Felipe Fuentes, Chair, Assembly Appropriations Committee  
Attention: Mr. Geoff Long, Chief Consultant  
Honorable Jim Nielsen, Vice Chair, Assembly Budget Committee  
Attention: Mr. Peter Schaafsma, Staff Director  
Honorable Mark DeSaulnier, Chair, Senate Budget and Fiscal Review Subcommittee No. 4  
Honorable Warren Furutani, Chair, Assembly Budget Subcommittee No. 4  
Mr. Mac Taylor, Legislative Analyst (4)  
Mr. Craig Cornett, Senate President pro Tempore's Office (2)  
Mr. Christopher W. Woods, Assembly Speaker's Office (2)  
Mr. Christine Robertson, Chief of Staff, Assembly Republican Leader's Office  
Mr. Matthew Bettenhausen, Secretary, California Emergency Management Agency  
Ms. Peggy Okabayashi, Chief, Administration Division, California Emergency Management Agency  
Mr. Brendan Murphy, Director, Grants Management, California Emergency Management Agency  
Mr. Rick Stolz, Chief Fiscal Officer, Budget Office, California Emergency Management Agency



DEPARTMENT OF  
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APR 01 2010

Honorable Denise Moreno Ducheny, Chair  
Senate Budget and Fiscal Review Committee

Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfield, Chair  
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

**Amendment to Budget Bill Items 0820-001-0001, 0820-001-0890, and Reimbursements,  
Support, Department of Justice**

It is requested that Item 0820-001-0890 be decreased by \$5,994,000 and Reimbursements to Item 0820-001-0001 be increased by \$5,994,000 to reflect a fund shift for the Western States Information Network (WSIN). The Department of Justice will no longer be the grantee for the federal Bureau of Justice Assistance's Regional Information Sharing System grant, and will receive funds for its administrative services in support of WSIN.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Jennifer Osborn, Principal Program Budget Analyst, at (916) 445-8913.

ANA J. MATOSANTOS  
Director  
By:

/s/ Todd Jerue

TODD JERUE  
Chief Deputy Director

Attachment

cc: On following page



APR 01 2010

cc: Honorable Christine Kehoe, Chair, Senate Appropriations Committee  
Attention: Mr. Bob Franzoia, Staff Director  
Honorable Bob Dutton, Vice Chair, Senate Budget and Fiscal Review Committee  
Attention: Mr. Seren Taylor, Staff Director  
Honorable Felipe Fuentes, Chair, Assembly Appropriations Committee  
Attention: Mr. Geoff Long, Chief Consultant  
Honorable Jim Nielsen, Vice Chair, Assembly Budget Committee  
Attention: Mr. Peter Schaafsma, Staff Director  
Honorable Mark DeSaulnier, Chair, Senate Budget and Fiscal Review Subcommittee No. 4  
Honorable Warren Furutani, Chair, Assembly Budget Subcommittee No. 4  
Mr. Mac Taylor, Legislative Analyst (4)  
Mr. Craig Cornett, Senate President pro Tempore's Office (2)  
Mr. Christopher W. Woods, Assembly Speaker's Office (2)  
Ms. Christine Robertson, Chief of Staff, Assembly Republican Leader's Office  
Ms. Sue Johnsrud, Director, Division of Administrative Support, Department of Justice  
Mr. David Harper, Deputy Director, Division of Administrative Support, Department of Justice



DEPARTMENT OF  
**FINANCE**  
OFFICE OF THE DIRECTOR

ARNOLD SCHWARZENEGGER, GOVERNOR

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APR 01 2010

Honorable Denise Moreno Ducheny, Chair  
Senate Budget and Fiscal Review Committee

Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfield, Chair  
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

**Amendment to Budget Bill Item 0840-002-9740, Support, State Controller's Office**

It is requested that Item 0840-002-9740 be decreased by \$1,109,000 to reflect the State Controller's Office's (SCO) revised proposal to conduct enhanced claim audits, additional local government and single audit report reviews, and new local government audits in response to the American Recovery and Reinvestment Act of 2009. The SCO is no longer requesting budget year funding for positions related to local reporting, state agency reporting, and the new system. The SCO is also no longer requesting funding for operating expenses and equipment for the new system. This revised proposal is consistent with the direction from the Joint Legislative Budget Committee as outlined in its letter dated February 25, 2010.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Oscar F. Chaves, Principal Program Budget Analyst, at (916) 445-5332.

ANA J. MATOSANTOS  
Director  
By:

/s/ Todd Jerue

TODD JERUE  
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Christine Kehoe, Chair, Senate Appropriations Committee  
Attention: Mr. Bob Franzoia, Staff Director  
Honorable Bob Dutton, Vice Chair, Senate Budget and Fiscal Review Committee  
Attention: Mr. Seren Taylor, Staff Director  
Honorable Felipe Fuentes, Chair, Assembly Appropriations Committee  
Attention: Mr. Geoff Long, Chief Consultant  
Honorable Jim Nielsen, Vice Chair, Assembly Budget Committee  
Attention: Mr. Peter Schaafsma, Staff Director  
Honorable Mark DeSaulnier, Chair, Senate Budget and Fiscal Review Subcommittee No. 4  
Honorable Warren Furutani, Chair, Assembly Budget Subcommittee No. 4  
Mr. Mac Taylor, Legislative Analyst (4)  
Mr. Craig Cornett, Senate President pro Tempore's Office (2)  
Mr. Christopher W. Woods, Assembly Speaker's Office (2)  
Ms. Christine Robertson, Chief of Staff, Assembly Republican Leader's Office  
Honorable John Chiang, State Controller  
Mr. Collin Wong-Martinusen, Chief of Staff, State Controller's Office  
Mr. John Hiber, Chief Operating Officer, State Controller's Office  
Mr. Jim Lombard, Chief Administrative Officer, State Controller's Office  
Mr. Michael Shuper, Acting Chief of Administration and Disbursements, State Controller's Office  
Mr. Tom Yowell, Chief of Budgets and Contracts, State Controller's Office



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APR 01 2010

Honorable Denise Moreno Ducheny, Chair  
Senate Budget and Fiscal Review Committee

Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfeld, Chair  
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

**Amendment to Budget Bill Items 0860-001-0001, 0860-001-0061, and Reimbursements,  
Support, Board of Equalization**

**Fuel Tax Swap Administrative Costs (Issue 023)**—It is requested that Item 0860-001-0001 be increased by \$138,000, Item 0860-001-0061 be increased by \$1,249,000, and that Reimbursements be increased by \$151,000 to establish 11.5 positions and fund contract work to implement and administer legislation implementing the fuel tax swap.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Chris Hill, Principal Program Budget Analyst, at (916) 322-2263.

ANA J. MATOSANTOS

Director

By:

TODD JERUE  
Chief Deputy Director

Attachment

cc: On following page

APR 01 2010

-2-

cc: Honorable Christine Kehoe, Chair, Senate Appropriations Committee  
Attention: Mr. Bob Franzosa, Staff Director  
Honorable Bob Dutton, Vice Chair, Senate Budget and Fiscal Review Committee  
Attention: Mr. Seren Taylor, Staff Director  
Honorable Felipe Fuentes, Chair, Assembly Appropriations Committee  
Attention: Mr. Geoff Long, Chief Consultant  
Honorable Jim Nielsen, Vice Chair, Assembly Budget Committee  
Attention: Mr. Peter Schaafsma, Staff Director  
Honorable Denise Moreno Ducheny, Chair, Senate Budget and Fiscal Review Subcommittee No. 5  
Honorable Warren Furutani, Chair, Assembly Budget Subcommittee No. 4  
Mr. Mac Taylor, Legislative Analyst (4)  
Mr. Craig Cornett, Senate President pro Tempore's Office (2)  
Mr. Christopher W. Woods, Assembly Speaker's Office (2)  
Ms. Christine Robertson, Chief of Staff, Assembly Republican Leader's Office  
Ms. Caroline Cabias, Budget Officer, Board of Equalization  
Mr. Ramon Hirsig, Executive Officer, Board of Equalization



APR 01 2010

Honorable Denise Moreno Ducheny, Chair  
Senate Budget and Fiscal Review Committee

Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfield, Chair  
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

**Amendment to the Government Code and the Code of Civil Procedure, State Treasurer's Office**

**Trailer Bill Language (TBL) to increase the Local Agency Investment Fund reimbursement cap from 0.5 percent to 5 percent (Issue 001):**

It is requested that Government Code (GC) Section 16429.1 (k) (1) be amended to increase the cap from 0.5 percent to a maximum of 5 percent of earnings to allow the State Treasurer's Office (STO) to fully recover administration costs of the Local Agency Investment Fund (LAIF) program. Continued turmoil in the capital markets has created a prolonged period of low interest rates, which has resulted in reduced interest earnings in the LAIF. This has left the STO with a reimbursement shortfall and inability to recover costs incurred for administering the LAIF program (see Attachment 1).

**TBL to allow the STO to redeem matured bonds that are 10 years or more past their call date when presented for payment (Issue 002):**

It is requested that Code of Civil Procedure Section 337.5 be amended to allow the STO to redeem matured bonds and coupons that are 10 years or more past their call date when presented for payment by the bondholder. As part of normal operations, the STO acts as registrar and paying agent for state bonds, and also identifies lost bondholders regardless of the age of outstanding bonds. Currently, for matured bonds and coupons redeemed after 10 years past their call date, claims must be paid through the Victims Compensation and Government Claims Board (VCGCB). The GC Section 905.2 (f) (1) allows the VCGCB to assess a 15 percent surcharge on those matured bonds and coupons. Without this amendment to the Code of Civil Procedure Section 337.5, the STO will continue to be assessed a 15 percent surcharge by the VCGCB for bonds and coupons presented after the 10 year period (see Attachment 2).

The effect of my requested action is reflected in the attachment.

APR 01 2010

-2-

If you have any questions or need additional information regarding this matter, please call Greg Bruss, Principal Program Budget Analyst, at (916) 445-5332.

ANA J. MATOSANTOS

Director

By:

/s/ Todd Jerue

TODD JERUE

Chief Deputy Director

Attachment

cc: Honorable Christine Kehoe, Chair, Senate Appropriations Committee  
Attention: Mr. Bob Franzoia, Staff Director  
Honorable Bob Dutton, Vice Chair, Senate Budget and Fiscal Review Committee  
Attention: Mr. Seren Taylor, Staff Director  
Honorable Felipe Fuentes, Chair, Assembly Appropriations Committee  
Attention: Mr. Geoff Long, Chief Consultant  
Honorable Jim Nielsen, Vice Chair, Assembly Budget Committee  
Attention: Mr. Peter Schaafsma, Staff Director  
Honorable Mark DeSaulnier, Chair, Senate Budget and Fiscal Review Subcommittee No. 4  
Honorable Warren Furutani, Chair, Assembly Budget Subcommittee No. 4  
Mr. Mac Taylor, Legislative Analyst (4)  
Mr. Craig Cornett, Senate President pro Tempore's Office (2)  
Mr. Christopher W. Woods, Assembly Speaker's Office (2)  
Ms. Christine Robertson, Chief of Staff, Assembly Republican Leader's Office  
Honorable Bill Lockyer, State Treasurer  
Mr. Steve Coony, Chief of Staff, State Treasurer's Office  
Mr. Hugo Lopez, Chief of Administration, State Treasurer's Office  
Ms. Becky Grajski, Budget Manager, State Treasurer's Office

## GOVERNMENT CODE SECTION 16429.1

16429.1. (a) There is in trust in the custody of the Treasurer the Local Agency Investment Fund, which fund is hereby created. The Controller shall maintain a separate account for each governmental unit having deposits in this fund.

(b) Notwithstanding any other provisions of law, a local governmental official, with the consent of the governing body of that agency, having money in its treasury not required for immediate needs, may remit the money to the Treasurer for deposit in the Local Agency Investment Fund for the purpose of investment.

(c) Notwithstanding any other provisions of law, an officer of any nonprofit corporation whose membership is confined to public agencies or public officials, or an officer of a qualified quasi-governmental agency, with the consent of the governing body of that agency, having money in its treasury not required for immediate needs, may remit the money to the Treasurer for deposit in the Local Agency Investment Fund for the purpose of investment.

(d) Notwithstanding any other provision of law or of this section, a local agency, with the approval of its governing body, may deposit in the Local Agency Investment Fund proceeds of the issuance of bonds, notes, certificates of participation, or other evidences of indebtedness of the agency pending expenditure of the proceeds for the authorized purpose of their issuance. In connection with these deposits of proceeds, the Local Agency Investment Fund is authorized to receive and disburse moneys, and to provide information, directly with or to an authorized officer of a trustee or fiscal agent engaged by the local agency, the Local Agency Investment Fund is authorized to hold investments in the name and for the account of that trustee or fiscal agent, and the Controller shall maintain a separate account for each deposit of proceeds.

(e) The local governmental unit, the nonprofit corporation, or the quasi-governmental agency has the exclusive determination of the length of time its money will be on deposit with the Treasurer.

(f) The trustee or fiscal agent of the local governmental unit has the exclusive determination of the length of time proceeds from the issuance of bonds will be on deposit with the Treasurer.

(g) The Local Investment Advisory Board shall determine those quasi-governmental agencies which qualify to participate in the Local Agency Investment Fund.

(h) The Treasurer may refuse to accept deposits into the fund if, in the judgment of the Treasurer, the deposit would adversely affect the state's portfolio.

(i) The Treasurer may invest the money of the fund in securities prescribed in Section 16430. The Treasurer may elect to have the money of the fund invested through the Surplus Money Investment Fund as provided in Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title 2.

(j) Money in the fund shall be invested to achieve the objective of the fund which is to realize the maximum return consistent with safe and prudent treasury management.

(k) All instruments of title of all investments of the fund shall remain in the Treasurer's vault or be held in safekeeping under control of the Treasurer in any federal reserve bank, or any branch thereof, or the Federal Home Loan Bank of San Francisco, with any trust company, or the trust department of any state or national bank.



(l) Immediately at the conclusion of each calendar quarter, all interest earned and other increment derived from investments shall be distributed by the Controller to the contributing governmental units or trustees or fiscal agents, nonprofit corporations, and quasi-governmental agencies in amounts directly proportionate to the respective amounts deposited in the Local Agency Investment Fund and the length of time the amounts remained therein. An amount equal to the reasonable costs incurred in carrying out the provisions of this section, not to exceed a maximum of ~~one-half of~~ *five* percent of the earnings of this fund *and not to exceed the amount appropriated in annual Budget Acts for this function*, shall be deducted from the earnings prior to distribution. The amount of this deduction shall be credited as reimbursements to the state agencies, including the Treasurer, the Controller, and the Department of Finance, having incurred costs in carrying out the provisions of this section.

(m) The Treasurer shall prepare for distribution a monthly report of investments made during the preceding month.

(n) As used in this section, "local agency," "local governmental unit," and "local governmental official" includes a campus or other unit and an official, respectively, of the California State University who deposits moneys in funds described in Sections 89721, 89722, and 89725 of the Education Code.

## CODE OF CIVIL PROCEDURE 337.5:

337.5. Within 10 years:

1. ~~An action upon any bonds or coupons issued by the State of California.~~
2. An action upon any general obligation bonds or coupons, not secured in whole or in part by a lien on real property, issued by any county, city and county, municipal corporation, district (including school districts), or other political subdivision of the State of California.
3. An action upon a judgment or decree of any court of the United States or of any state within the United States.